



DOCKET FILE COPY ORIGINAL

Qwest
1801 California Street, 49th Floor
Denver, Colorado 80202
Phone 303 672-2860
Facsimile 303 295-7069

James T. Hannon
Senior Attorney

RECEIVED

JAN 22 2002

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

January 22, 2002

Mr. Jeffrey Carlisle
Federal Communications Commission
Common Carrier Bureau
445 12th Street, S.W.
Washington, DC 20554

RE: Implementation of Pay Telephone Reclassification and
Compensation, CC Docket No. 96-128

Dear Mr. Carlisle:

I am responding to your letter, dated December 20, 2001¹ asking Qwest to supplement the record in the payphone proceeding, CC Docket No. 96-128, in order to assist the Commission in addressing interim compensation issues remanded by the court in Illinois Public Telecomm. Assn. v. FCC.² While Qwest supports the Commission in its efforts to resolve outstanding interim compensation issues at the earliest possible date, Qwest is unable to satisfy the Commission's specific information request. As Qwest previously informed Ms. Lynne Milne, Qwest's payphone group does not have records of call attempts or completed calls by information digits (i.e., 27 and 70) by carrier. Qwest does have a significant amount of payphone data, described below, which Qwest will provide upon request if the Commission determines that this data will be of assistance in resolving interim compensation issues.

Response to Data Request

General Background

Qwest's payphone organization has systems in place to collect data on calls originating at Qwest-owned payphones. Generally, Qwest is unable to determine whether a call has been completed to the called party – only the IXC or reseller terminating the call has that information. Qwest collects data on calls originating at its payphones by Carrier Identification Code ("CIC"), not by the name of the carrier terminating the call. The specific IXC or reseller terminating a payphone call may or may not have a CIC. Even in those cases where a carrier has a CIC, it may be reselling the services of another IXC (and that IXC's CIC would be identified with the call). A significant portion of the calls originating at the Qwest-owned payphones are carried on CICs other than those of the IXC or reseller terminating the call. Furthermore, relations between resellers and IXCs are quite fluid with resellers using different underlying IXCs at different times

¹ See letter to Mr. R. Hance Haney, Qwest, from Jeffrey Carlisle, dated Dec. 20, 2001 ("Carlisle letter").

² Illinois Public Telecommunications Ass'n v. FCC, 117 F.3d 555 (D.C. Cir. 1997), clarified on reh'g, 123 F.3d 693 (1997), cert. denied sub nom. Virginia State Corp. Comm'n v. FCC, 523 U.S. 1046 (1998).

No. of Copies rec'd
List ABCDE

074

in different parts of the country. Thus, Qwest often may not know the name of the reseller that carried a call even though Qwest is able to identify the underlying IXC through the CIC.³

In estimating the amount of payphone compensation due on a given CIC, Qwest employs industry-wide timing surrogates. For example, a 1-800 call is assumed to have been completed to the called party if it has a holding time of 40 seconds or longer. Due to the large volume of call records, Qwest does not retain individual call records with holding times of less than the timing surrogate (*i.e.*, 40 seconds for 1-800 calls) for more than a short period of time. As such, Qwest has no record of call attempts for periods prior to 2000. Furthermore, the source of Qwest's payphone call records is the access data base which does not include records for Qwest Corporation (formerly U S WEST Communications) as a carrier.

Qwest collects data by the type of call (*e.g.*, 1-800, 0+, etc.), CIC and originating ANI – but not by the information digits transmitted from a payphone (*i.e.*, 27, 70, 29, or 07). While an IXC subscribing to Flex ANI can identify the type of payphone used to transmit a call by examining the Flex ANI digits,⁴ PSPs have no need to collect this information for payphone compensation purposes.⁵ As a LEC, Qwest Corporation began providing Flex ANI information digits to carriers at no charge in mid-1998 as was required by the Commission.⁶ Carriers subscribing to Flex ANI receive the digits 70 to identify calls originating at “smart” payphones. Those carriers who do not subscribe to Flex ANI receive the information digits 07 indicating that the call originated at a restricted line (which may or may not be a “smart” payphone). In such cases, an IXC could only determine that an 07 call originated at a “smart” payphone by examining the ANI associated with the call.⁷ Thus, while it is possible to identify whether a call originated at a “smart” payphone without subscribing to Flex ANI, it is not a simple task.

FCC Request No. 1

“For each quarter of calendar year 1997, list the number of call attempts with a coding digit of either 27 or 70, whether or not completed, routed to a point of presence (POP) of each of 149 specified interexchange carriers (IXCs), as well as the call attempts, whether or not completed, with a coding digit of either 27 or 70 handled entirely by Qwest local exchange operations. In addition, for each quarter of calendar year 1997, list the number of call attempts with a coding digit of either 27 or 70, whether or not completed, routed to a POP of each IXC not

³ The Commission recognized the severity of this problem when it adopted its Second Order on Reconsideration and placed the obligation to pay payphone compensation on the first facilities-based IXC. In the Matter of the Pay Telephone Reclassification and Compensation Provisions of the Telecommunications Act of 1996, RBQC/GTE/SNET Payphone Coalition Petition for Clarification, Second Order on Reconsideration, 16 FCC Rcd. 8098 ¶ 1 (2001).

⁴ Information digits 27 indicate that the call is being made from a “dumb” payphone while 70 indicates that the call is being made from a “smart” payphone and 29 from an “inmate” payphone.

⁵ The Commission placed the burden of tracking and paying payphone compensation on IXCs. See Payphone Order, 11 FCC Rcd. 20541, 20584 ¶ 83, 20590-91 ¶ 97 (1996).

⁶ In the Matter of Implementation of the Pay Telephone Reclassification and Compensation Provisions of the Telecommunications Act of 1996, Memorandum Opinion and Order, 13 FCC Rcd. 4998 (1998).

⁷ LECs and PSPs provide payphone ANI lists to IXCs and resellers on a quarterly basis.

Mr. Jeffrey Carlisle
Federal Communications Commission
January 22, 2002
Page 3

on the enclosed list of 149 IXCs, and name the IXC. A list of the 149 specified 1997 IXCs is enclosed as Attachment One. This list is taken from the Carrier Locator report of November, 1997. We are excluding call attempts for coin calls, 0+ calls and inmate calls, together with call attempts with 07 coding digits.”⁸

Response

Qwest does not have data on the number of call attempts for 1997 by quarter by coding digits (i.e., 27 or 70) by IXC.

Upon request, Qwest can provide data on the number of 1-800 calls that originated at its payphones with holding times of 40 seconds or longer for the second, third and fourth quarters of 1997 by CIC (and the carrier to which the CIC was assigned) with the exception of intraLATA calls carried by U S WEST Communications (now Qwest Corporation).

FCC Request No. 2

“For each quarter of calendar year 1998, list the number of call attempts with a coding digit of either 27 or 70, whether or not completed, routed to a POP of each of 171 specified IXCs, as well as the call attempts with a coding digit of either 27 or 70, whether or not completed, handled entirely by Qwest local exchange operations. In addition, for each quarter of calendar year 1998, list the number of call attempts with a coding digit of either 27 or 70, whether or not completed, routed to a POP of each IXC not on the enclosed list of 171 specified IXCs, and name the IXC. A list of the 171 specified 1998 IXCs is enclosed as Attachment Two. This list is taken from the Carrier Locator report of January, 2000. We are excluding call attempts for coin calls, 0+ calls and inmate calls, together with call attempts with 07 coding digits.”⁹

Response

Qwest does not have data on the number of call attempts for 1998 by quarter by coding digits (i.e., 27 or 70) by IXC.

Upon request, Qwest can provide data on the number of 1-800 calls that originated at its payphones with holding times of 40 seconds or longer during 1998 by quarter by CIC (and the carrier to which the CIC was assigned) with the exception of intraLATA calls carried by U S WEST Communications (now Qwest Corporation).

FCC Request No. 3

“For each quarter of four quarters, starting October 1, 2000 through September 30, 2001, list the number of call attempts with a coding digit of either 27 or 70, whether or not completed,

⁸ See Carlisle letter at page 1.

⁹ Id.

routed to a POP of each of 229 specified IXC's, as well as the call attempts with a coding digit of either 27 or 70, whether or not completed, handled entirely by Qwest local exchange operations. In addition, for each of these four quarters, list the number of call attempts with a coding digit of either 27 or 70, whether or not completed, routed to a POP of each IXC not on the enclosed list of 229 specified IXC's, and name the IXC. A list of these 229 specified IXC's is enclosed as Attachment Three. This list is taken from the Telecommunications Provider Locator report of November, 2001. We are excluding call attempts for coin calls, 0+ calls and inmate calls, together with call attempts with 07 coding digits."¹⁰

Response

Qwest does not have data on the number of call attempts for the period October 1, 2000 to September 30, 2001 by quarter by coding digits (i.e., 27 or 70) by IXC.

Qwest does have call detail data available for the period October 1, 2000 to September 30, 2001. This data consists of 9-13 million call records per month that can be aggregated to identify the number of call attempts from Qwest-owned payphones by call type (e.g., 1-800 calls) by quarter by CIC (and the carrier to which the CIC was assigned) with the exception of intraLATA calls carried by Qwest. However, any compilation of this data would require a significant amount of time and expense due to the huge number of call detail records. Qwest is of the opinion that any such information would be of little, if any, value in determining how interim compensation should be allocated among IXC's for the period April 15 – October 6, 1997 due to dramatic changes in payphone calling patterns, call volumes and IXC market shares that have occurred since 1997.

Other Comments

Qwest has a significant interest in the speedy resolution of the interim compensation issue. Qwest removed all payphone costs from its access rates on or before April 15, 1997, as required by the Commission's Payphone Orders. As a result, Qwest has never been compensated for IXC use of its 100,000+ payphones for the period from April 15 – October 6, 1997. Regardless of the interim compensation scheme that the Commission ultimately adopts on remand, it is clear that Qwest will never collect a significant portion of the interim compensation which it is due (i.e., estimated to be \$25-30 million before interest) because numerous IXC's have ceased operations in the last four and a half years.

The only "real" issue facing the Commission with respect to interim compensation since the Court's remand has been the question of how the interim compensation burden should be spread among the IXC's. Clearly, there is no totally correct and accurate method for assigning this burden, as the Commission recognized earlier. Qwest believes that the Commission already has sufficient information in its possession to allocate the interim compensation burden among the IXC's in existence in 1997. Previously, Qwest joined with other LEC PSPs in proposing two

¹⁰ Id. at page 2.

Mr. Jeffrey Carlisle
Federal Communications Commission
January 22, 2002
Page 5

methods for allocating interim compensation costs among IXCs.¹¹ Qwest is still of the opinion that the Commission can create a fair and administratively manageable interim compensation plan without collecting enormous amounts of new information. Should the Commission continue down the path of gathering new data, Qwest urges the Commission to avoid using any data after 1998 in allocating the interim compensation burden among IXCs. As noted above, such data is neither representative of the payphone market nor IXC traffic patterns that existed during the April – October, 1997 timeframe.

Respectfully,

/s/ James T. Hannon

cc: Aaron Panner, Kellogg Huber
Lynne Milne, FCC
Tamara Preiss, FCC
Hance Haney, Qwest

¹¹ See letter from Michael K. Kellogg, Kellogg, Huber, Hansen, Todd & Evans, P.L.L.C. to William E. Kennard, FCC, dated Aug. 8, 2000 and Reply Comments of the RBOC Payphone Coalition, dated Oct. 31, 2000, CC Docket No. 96-128, Implementation of the Pay Telephone Reclassification and Compensation Provisions of the Telecommunications Act of 1996.

CERTIFICATE OF SERVICE

I, Richard Grozier, do hereby certify that I have caused the original and four copies of the foregoing **SUBMISSION OF QWEST COMMUNICATIONS INTERNATIONAL INC.** to be filed with the FCC,* two copies to be served on the FCC's duplicating contractor, Qualex International, and two copies to be served on Ms. Lynne Milne of the Competitive Pricing Division, at 445 12th Street, S.W., Room 5-A365, Washington, DC 20554.* Additionally, Mr. Craig Stroup of the Industry Analysis Division, is served concurrently with an electronic copy of the **SUBMISSION** at cstroup@fcc.gov.

Richard Grozier
Richard Grozier

January 22, 2002

*Submission of the original and service of the paper copies will be routed to the FCC's contractor, Vistronix, Inc. at 236 Massachusetts Avenue, N.E., Suite 110, Washington, DC 20002. *See Public Notice*, DA 01-2919, rel. Dec. 14, 2001.